

# **FISCAL NOTE**

## **SB 860 - HB 1800**

March 5, 2001

**SUMMARY OF BILL:** Exempts from property taxes, real and personal property leased to any nonprofit hospital which is occupied and used by such institution exclusively for the purposes for which it was created. Under current law, the owner of such property, as well as the use of such property, must be eligible for exemption.

### **ESTIMATED FISCAL IMPACT:**

**Decrease Local Govt. Revenues - Exceeds \$17,000,000**

Estimate assumes:

- for-profit hospitals would be able to establish non-profit affiliates to which they would lease the hospital property with the management of the hospital contracted to the for-profit owner.
- assets of the 50 for-profit hospitals in Tennessee have a net book asset value of over \$1 billion.
- an effective city-county tax rate of \$1.70.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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